

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Consumer Protection and Enforcement Division

**Resolution TEB-002
September 3, 2026**

RESOLUTION

**DRAFT RESOLUTION TEB-002, APPROVING ADMINISTRATIVE
CONSENT ORDER AND AGREEMENT OF CONSUMER PROTECTION
AND ENFORCEMENT DIVISION AND LYFT, INC. REGARDING
COMPLIANCE WITH VEHICLE 19-POINT INSPECTION
REQUIREMENTS**

PROPOSED OUTCOME:

Approve Administrative Consent Order and Agreement (ACO) between the Consumer Protection and Enforcement Division (CPED) and Lyft, Inc. (Lyft). Lyft is a Transportation Network Company (TNC), a subset of Transportation Charter-Party Carriers (TCPs), governed by General Order (GO) 157-E and the Public Utilities Code. This Resolution and ACO (if adopted) resolve all issues involving Lyft's compliance with GO 157-E's 19-Point inspection requirements between September 1, 2019 and August 31, 2022, for a total settled penalty amount of \$1,250,000.

SAFETY CONSIDERATIONS:

The ACO identifies corrective actions necessary to improve compliance with rules and regulations intended to promote public safety.

ESTIMATED COST:

Pursuant to the ACO, Lyft agrees to pay \$1,250,000 in penalties to the State's General Fund to resolve the alleged violations.

SUMMARY

In this Resolution, the California Public Utilities Commission (Commission) approves an ACO, included as Exhibit A, between CPED and Lyft, to resolve all issues involving Lyft's compliance with applicable regulations between September 1, 2019 and August 31, 2022, including Commission Rules of Practice and Procedure (Commission Rule) Rule 1.1 and GO 157-E, Section 4.05, 19-Point Inspection requirements. To resolve CPED's allegations, Lyft agreed to initiate corrective actions and pay a total penalty amount of \$1,250,000. This Resolution includes an analysis of the Penalty Assessment Methodology.

BACKGROUND

CPED, through its Transportation Enforcement Branch (TEB), is responsible for ensuring that all TCPs and TNCs comply with the Commission's statutory and regulatory requirements for the provision of safe and reliable transportation to the public. TEB responds to and investigates complaints of unsafe, unlicensed, and uninsured passenger carriers. TEB staff may initiate enforcement actions and make recommendations to the Commission, such as this ACO. The Commission's authority to regulate TCPs is found in Article XII of the California Constitution and Public Utilities Code section 5351, et seq.¹

TNCs, including Lyft, are defined in Public Utilities Code section 5431(c) as a corporation "operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle."

GO 157-E Part 4.05 states that "[a]ll charter-party carriers, including TNCs, shall ensure that every vehicle . . . utilized in its operations undergoes a 19-point vehicle inspection at a facility licensed by the California Bureau of Automotive Repair prior to initial operation and every 12 months or 50,000 miles thereafter."² In adopting GO 157-E, the Commission stated that the initial compliance obligation is ongoing, and clarified that "[a]ll [] TCP vehicles, including [] TNCs, shall be inspected . . . every 12 months or 50,000 miles thereafter, whichever occurs first."³

TEB investigated Lyft's compliance over a three-year period from September 1, 2019, to August 31, 2022 (Investigation Period) with GO 157-E's 19-Point Inspection requirement that all TCP vehicles, including vehicles operating on TNC platforms, be inspected either annually or every 50,000 miles, whichever occurs first (Vehicle Inspection Requirements).

As part of this investigation, Lyft provided compliance records for thousands of vehicles (waybill records). TEB analyzed Lyft's waybill records and completed its Confidential Investigation Summary on September 4, 2025. TEB identified potential violations of the Vehicle Inspection Requirements and shared its Confidential Investigation Summary with Lyft for settlement discussion purposes only.

Part I of the Appendix to the ACO contains relevant stipulated facts relating to Lyft's compliance with GO 157-E's 19-Point Inspection requirements. Part II of the Appendix contains a summary of CPED's allegations that are set forth in its Investigation Report.

TEB's Investigation Report alleges that: (i) In certain circumstances, Lyft failed to ensure that its vehicles receive a 19-point vehicle inspection, when necessary, either at 12-month intervals or

¹ See also, GOs 115-G, 157-E, and 158-A; see also, Decision ("D.")13-09-045.

² GO 157-E, §4.05.

³ D.16-04-041, Ordering Paragraph (OP) No. 1; see also, *id.* at 2, 15 and 18.

every 50,000 miles, and that its “suspension”⁴ practices for driver accounts in violation are inconsistent; (ii) Lyft vehicles took trips without valid inspection forms; (iii) Lyft does not track total accumulated mileage, its agents and representatives make transcription errors, and accept inspection forms with incorrect dates or mileage; and (iv) inconsistencies exist in Lyft’s 19-point inspection compliance records, posing a potential safety concern for passengers and drivers.

TEB and Lyft engaged in extensive direct settlement discussions which included Lyft providing TEB with details of Lyft’s substantial efforts to comply, process improvements, and data limitations concerning off-app vehicle operations affecting Lyft’s ability to strictly comply with the 50,000 mile component of the 19-Point Inspection requirements. Lyft admitted compliance could not be determined for 4,277 operations resulting from ninety-four (94) vehicles that operated for an average length of under five months during the Investigation Period.

TEB and Lyft share the common goals of promoting and improving public safety and complying with the Commission’s Orders, including the Vehicle Inspection Requirements.

DISCUSSION

Resolution M-4846, issued in November 2020, adopted the Commission Enforcement and Penalty Policy (Enforcement Policy) and authorized Commission staff to negotiate and propose an ACO to resolve an enforcement matter, subject to review and consideration by the Commission.⁵ CPED and Lyft executed the attached ACO,⁶ pursuant to and consistent with the Enforcement Policy, which resolves all issues related to Lyft’s compliance with GO 157-E’s 19-Point Inspection requirements during a three year period and any enforcement action CPED might have brought related to or arising therefrom. In accordance with the Enforcement Policy, the proposed settlement between CPED and Lyft (collectively, Parties) is memorialized in the attached ACO. The ACO includes information consistent with the requirements of Section III.A.7 of the Enforcement Policy.

The Enforcement Policy provides that “the following general considerations should be evaluated as part of any proposed settlement to be submitted for Commission review: (1) [e]quitable factors; (2) [m]itigating circumstances; (3) [e]videntiary issues; and (4) [o]ther weaknesses in the enforcement action[.]”⁷ The Parties explicitly considered these factors in their confidential settlement communications under Commission Rule 12.6. CPED acknowledges Lyft’s cooperation with CPED on the negotiation of the ACO, and CPED explicitly considered a range of evidentiary and other matters that would bear upon its pursuit of enforcement actions seeking penalties or citations on disputed issues of fact and law.

⁴ “Suspension” refers to when Lyft temporarily removes an account holder’s ability to accept rides on its TNC platform.

⁵ Resolution M-4846, Findings and Conclusions No. 8; *see also, id.*, Enforcement Policy at 11.

⁶ The ACO is attached as Attachment A.

⁷ Resolution M-4846, Enforcement Policy at 15.

The Penalty Assessment Methodology sets forth five factors that staff and the Commission must consider in determining the amount of a penalty for each violation: “[s]everity or gravity of the offense, conduct of the regulated entity, financial resources of the regulated entity, including the size of the business, totality of the circumstances in furtherance of the public interest, and the role of precedent.”⁸ These factors are addressed here.

A. Severity or Gravity of the Offenses

The Commission has stated that the severity of the offense includes several considerations, including economic harm, physical harm, and harm to the regulatory process.

1. Physical and Economic Harm

The Commission has described the physical and economic harm criteria as follows:

Economic harm reflects the amount of expense which was imposed upon the victims. In comparison, violations that cause actual physical harm to people or property are generally considered the most severe, followed by violations that threaten such harm.²

CPED did not allege any physical or economic harm to the general public. However, the Settlement Payment amount reflects the possibility of physical harm from vehicles that are not regularly subject to the 19-point vehicle safety inspections.

2. Harm to the Regulatory Process

As part of the severity of the offense factor, the Commission has described the harm to the regulatory process criterion as follows:

“Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the Commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.” (Public Utilities Code § 702).

Such compliance is essential to the proper functioning of the regulatory process. For this reason, disregarding a statutory or Commission directive, regardless of the effects on the public, will be accorded a high level of severity.¹⁰

Lyft complied with CPED during the investigation of Lyft’s compliance with GO 157-E’s 19-Point Inspection requirements and in the negotiation and presentation of the ACO. Additionally, although CPED maintains that Lyft violated Commission rules, General Orders and the Public

⁸ *Id.* at 16-21.

² *Id.* at 16.

¹⁰ *Id.* at 17.

Utilities Code, CPED acknowledges the possibility that Lyft violated these laws in error or due to the challenges with tracking off-app mileage.

3. Number of Violations

“The number of the violations is a factor in determining the severity.”¹¹ Lyft admits being unable to determine compliance for 4,277 operations resulting from ninety-four (94) vehicles, below the number estimated in CPED’s Investigative Report. While the number of alleged violations is high, when compared to the total number of vehicles and trips operating on the Lyft App, the percentage of noncompliant operations is quite low. The Settlement Payment reflects the number of acknowledged violations.

4. Number of Customers Affected

A “widespread violation which affects a large number of consumers is a more severe offense than one that is limited in scope.”¹² While the number of alleged noncompliant vehicles operating on the Lyft app was high, CPED did not find that any particular violation resulted in physical harm to a specific customer.

B. The Conduct of the Utility

In evaluating the conduct of the utility, the Commission has described the following considerations: (1) actions taken to prevent a violation; (2) actions taken to detect a violation; (3) actions taken to disclose and rectify a violation; (4) actions taken to conceal, hide or cover up a violation; and (5) prior history of violations.¹³

According to Lyft, there was little that it could have done to prevent or detect the alleged violations because they were based on (i) drivers uploading the same inspection document twice, (ii) Lyft representatives making data entry errors, (iii) accepting incomplete mileage inspection reports, (iv) accepting inspection reports from third parties (e.g., mechanics) with inaccurate dates or mileage, and (v) account holders deleting their account thus removing necessary compliance data. Further, Lyft acknowledged its mileage tracking capabilities cannot be as comprehensive as required by G.O.157-E—an issue Lyft raised in comments preceding the decision implementing such requirement (D.16-04-041)—since Lyft does not have a way to detect precisely when a vehicle has driven 50,000 miles given that vehicles are driven on and off-app.

Significantly, Lyft has taken, and will continue to take, meaningful efforts to rectify the alleged violations and prevent future alleged violations. Lyft and Uber jointly filed a Petition for Modification (PFM) of G.O. 157-E on May 29, 2026, to change the 50,000 mile tracking requirement to a 40,000 mile in-app tracking requirement in the pending proceeding R.12-12-011. As of the date of this ACO, the Commission has received no customer complaints about vehicles operating with expired 19-Point Inspections. Consequently, Lyft’s conduct has positively addressed the violations. Therefore, Lyft demonstrated a good faith effort to comply with the law and address ongoing performance.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

C. Financial Resources of the Utility

The Commission has described this criterion as follows:

Effective deterrence also requires that staff recognize the financial resources of the regulated entity in setting a penalty that balances the need for deterrence with the constitutional limitations on excessive penalties. . . . If appropriate, penalty levels will be adjusted to achieve the objective of deterrence, without becoming excessive, based on each regulated entity's financial resources.¹⁴

The Parties agree for purposes of this ACO that Lyft should be required to pay a total of \$1,250,000 to the State's General Fund. Within thirty calendar days of the Commission's approval of this ACO, Lyft will pay the total penalty amount of \$1,250,000. Based on Lyft's current financial resources, a penalty in the amount of \$1,250,000 to the General Fund is reasonable and appropriate to achieve the objective of deterrence, without being excessive.

D. Totality of Circumstances in Furtherance of Public Interest

The Commission has described this criterion as follows:

Setting a penalty at a level that effectively deters further unlawful conduct by the regulated entity and others requires that staff specifically tailor the package of sanctions, including any penalty, to the unique facts of the case. Staff will review facts that tend to mitigate the degree of wrongdoing as well as any facts that exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.

An economic benefit amount shall be estimated for every violation. Economic benefit includes any savings or monetary gain derived from the act or omission that constitutes the violation.¹⁵

The Commission must evaluate penalties in the totality of the circumstances, with an emphasis on protecting the public interest. Lyft's corrective actions and penalties for the alleged violations should be tailored to the limited harm and mitigating factors of this case.

In addition to the mitigating factors described above, as a show of good faith and to avoid any future alleged violations, Lyft has already initiated the corrective actions identified in the ACO before the ACO was filed.

E. Consistency with Precedent

The Commission has described the role of precedent as follows:

¹⁴ *Id.* at 19.

¹⁵ *Id.*

Penalties are assessed in a wide range of cases. The penalties assessed in cases are not usually directly comparable. Nevertheless, when a case involves reasonably comparable factual circumstances to another case where penalties were assessed, the similarities and differences between the two cases should be considered in setting the penalty amount.¹⁶

This ACO takes into consideration Resolution (R) TEB-001, issued on February 9, 2026, regarding Uber Technology, Inc. (Uber)'s compliance with GO 157-E's 19-Point Inspection requirements during the same three-year investigation period, which included similar corrective actions and a penalty of \$3,500,000.00. CPED considered R.TEB-001 and the facts of this matter as compared to other enforcement actions taken against Lyft and Uber, California's two largest TNCs, and believes the settlement amount and corrective actions are the appropriate resolution. As such, CPED believes the penalty imposed in this case is reasonable and is in proportion to the alleged harm caused by Lyft's actions.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 30 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 30-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this Resolution was neither waived nor reduced. Accordingly, this draft Resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

No comments were received.

FINDINGS AND CONCLUSIONS

1. Resolution M-4846 authorized Commission staff to negotiate and propose an ACO to resolve an enforcement matter, subject to review and consideration by the Commission.
2. CPED and Lyft have engaged in settlement negotiations and, consistent with Resolution M-4846 and the Enforcement Policy, have memorialized their proposed settlement in the attached ACO.
3. CPED and Lyft have agreed that the attached ACO resolves all issues related to CPED's investigations of and any enforcement action CPED might have brought related to or arising from Lyft's compliance with the 19-Point Inspection requirement.

¹⁶ *Id.* at 21.

4. The agreed-upon fines and remedial actions appropriately resolve all issues related to CPED's investigations and any enforcement action CPED may have brought, are reasonable in light of the circumstances, consistent with the law, and in the public interest.
5. Based on the analysis under the Penalty Assessment Methodology, the agreed-upon fines, safety measures and disallowances are reasonable in light of the circumstances.

THEREFORE, IT IS ORDERED that:

1. The ACO between CPED and Lyft relating to Lyft's compliance with General Order 157-E, 4.05, 19-Point Inspection requirements is adopted.
2. Lyft shall pay a monetary penalty of \$1,250,000 within thirty calendar days after the date that this Resolution is final and no longer subject to appeal. Payments must be with a certified check made or wire transfer payable to the ***California Public Utilities Commission*** to:

**California Public Utilities Commission
Attn: Fiscal Office
505 Van Ness Avenue
San Francisco, CA 94102-3298**

3. Lyft shall state on the face of the check or on the wire transfer: "For deposit to the General Fund per Resolution TEB-002."
4. Lyft shall enact the following three corrective actions as further set forth in the ACO:
 - a. Audit. Within one year of this Resolution, Lyft shall retain an independent third-party auditor of its choice for a one-time evaluation of the integrity of its records, data entry procedures, internal controls and quality assurance processes related to compliance with the vehicle inspection requirement since the date of the settlement's approval. Lyft shall submit the audit findings and Lyft's proposed corrective measures to TEB upon completion to the extent the audit identifies the need for additional corrective measures.
 - b. Training Program. - Lyft has implemented a Compliance Service Tool and enhanced QA Audit Coverage for agents involved in compliance, operations, and data entry related to the Vehicle Inspection Requirements. These tools have substantially improved compliance and emphasize the importance of accurate data entry by agents, education on driver responsibilities to adhere to the Vehicle Inspection Requirements, and maintenance of current inspections. This training(s) shall emphasize the importance of accurate data entry by agents, driver responsibilities to adhere to the vehicle inspection requirements, and maintaining current inspections. Lyft commits to maintaining consistent training protocols and periodically reviewing and updating those protocols, as appropriate, to support ongoing compliance with the Vehicle Inspection Requirements.

- c. Driver Notification System - Within one year of the Agreement's approval by the Commission, Lyft will implement a notification system that informs active drivers operating on the Lyft platform once their vehicle reaches 30,000 in-app miles over the course of one year. The prompt will inform the driver of the Vehicle Inspection Requirements and the driver's obligation to comply with the Vehicle Inspection Requirements upon reaching the 50,000 mile mark.
 - d. Annual Compliance Reporting. Within 120 days of this Resolution, Lyft shall submit a Vehicle Inspection Requirement Compliance Report to TEB covering the 12-month inspection requirement for vehicles operating on the platform during the 2026 calendar year, including any procedural changes, if applicable, and self-reported deviations from Lyft policies. Lyft will submit annual follow-up reports to CPED for an additional three years related to compliance with the 12-month inspection requirement, unless the Commission changes the underlying rule to be based on in-app mileage. If the Commission does not approve of Lyft's and Uber's Petition for Modification of the 50,000-mile requirement, then Lyft agrees to affirmatively state that it will incorporate the requirement into its compliance plan.
5. This Resolution is effective today.

I certify that the foregoing Resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 3, 2026; the following Commissioners voting favorably thereon:

Shao Pat Tsen
Interim Chief Deputy Executive Director
Consumer Policy, Transportation, and
Enforcement

ATTACHMENT A

Administrative Consent Order

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the matter of:

Lyft, Inc. (TCP 32513) – re: Vehicle 19-
Point Inspections

[PROPOSED] ADMINISTRATIVE
CONSENT ORDER AND AGREEMENT

Issued pursuant to Commission Resolution
M-4846 (adopting Commission Enforcement
Policy)

[PROPOSED] ADMINISTRATIVE CONSENT ORDER AND AGREEMENT

July 31, 2026

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[PROPOSED] ADMINISTRATIVE CONSENT ORDER AND AGREEMENT

This Administrative Consent Order and Agreement (hereinafter “ACO” or Agreement”) is entered into and agreed to by and between the Transportation Enforcement Branch (“TEB”) of the Consumer Protection and Enforcement Division (“CPED”) of the California Public Utilities Commission (“CPUC” or “Commission”) and Lyft, Inc. (“Lyft”) (collectively, the “Parties”) pursuant to Resolution M-4846, dated November 5, 2020, titled *Resolution Adopting Commission Enforcement Policy*.

WHEREAS:

- The Commission has authorized CPED Division “to investigate, negotiate, and draft proposed Administrative Consent Orders, subject to review and consideration by the Commission” via resolution;¹
- The Commission’s Enforcement Policy requires that a “negotiated proposed settlement . . . be memorialized in a proposed Administrative Consent Order,” which requires certain items as set forth in Section 2, below;²
- Consistent with Resolution M-4846, this ACO is a product of direct negotiations between the Parties to resolve and dispose of all claims, allegations, liabilities, and defenses related to TEB’s investigation into Lyft’s compliance over a three-year period from September 1, 2019 to August 31, 2022 (“Investigation Period”) with Commission Rules of Practice and Procedure (“Commission Rule”) Rule 1.1 and General Order (“G.O.”) 157-E, including the 19-Point Inspection requirement that all Transportation Charter Party Carrier (“TCP”) vehicles, including vehicles operating on Transportation Network Company (“TNC”) platforms, be inspected either annually or every 50,000 miles, whichever occurs first (“Vehicle Inspection Requirements”);
- Part I of the Appendix to this ACO contains relevant stipulated facts relating to Lyft’s compliance with G.O. 157-E’s 19-Point Inspection requirements;
- Part II of the Appendix to this ACO contains the alleged facts that form the basis for CPED’s alleged violations, and Lyft’s responses thereto;
- This ACO is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of an evidentiary hearing, any further enforcement proceedings, and/or any subsequent

¹ Resolution M-4846 at 15 (Findings and Conclusions No. 8).

² Resolution M-4846, Enforcement Policy at 10.

appeals, and with the Parties having taken into account the possibility that each of the Parties may or may not prevail on any given issue, and to expedite timely action on initiatives that benefit California consumers; and

- The Parties agree to the following terms and conditions as a complete and final resolution of all claims which have been, or might have been, brought by TEB related to or arising from non-compliance with the Vehicle Inspection Requirements and all of Lyft's defenses thereto, based on the information available to the Parties, and without trial and adjudication of any issue of law or fact.

NOW, THEREFORE, it is agreed that this ACO is made and entered into.

I. PARTIES

The parties to this ACO are CPED and Lyft.

CPED's TEB supervises, regulates, and fines, where appropriate, TCPs pursuant to Public Utilities Code sections 5381, 5413, 5413.5, 5430, *et seq.*

Lyft is a TNC, a subset of TCPs, defined in Public Utilities Code section 5431(c) as a corporation "operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle."

II. ELEMENTS REQUIRED BY SECTION III.A.7 OF THE COMMISSION'S ENFORCEMENT POLICY FOR ADMINISTRATIVE CONSENT ORDERS

Except as explicitly stated herein, the Parties expressly agree and acknowledge that neither this ACO nor any act performed hereunder is, or may be deemed, an admission or evidence of the validity or invalidity of any allegations or claims of CPED, nor is the Agreement or any act performed hereunder to be construed as an admission or evidence of any wrongdoing, fault, omission, negligence, imprudence, or liability on the part of Lyft. This is a negotiated settlement of disputed matters.

A. The Law or Commission Order, Resolution, Decision, or Rule Violated by the Regulated Entity

Part II of the Appendix to this ACO sets forth Lyft's alleged violations of Commission rules. Specifically, TEB's allegations arise from its investigation into Lyft's compliance with Commission Rule 1.1 and G.O. 157-E, *Rules and Regulations Governing the Operations of Charter-Party Carriers of Passengers Pursuant to Chapter 8 of Division 2 of the Public Utilities Code*, Part 4, Vehicles, Section 4.05, 19-Point Vehicle Inspection, as last modified by Decision ("D.") 16-04-041.

B. The Basis for Each Alleged Violation

The basis of Staff's allegations is set forth in the Appendix to this ACO. Part I of the Appendix contains relevant stipulated facts relating to Lyft's compliance with G.O. 157-E's 19-Point Inspection requirements. Part II of the Appendix to this ACO contains the facts and allegations that form the basis for CPED's alleged violations, and Lyft's responses thereto.

C. The Number of Alleged Violations Including the Dates on Which Violations Occurred

CPED alleged that Lyft failed to suspend 170 vehicles on the Lyft platform during the Investigation Period due to these vehicles failing to meet G.O. 157-E's 19-Point Inspection requirements resulting in a total of 32,217 alleged violations of the annual inspection requirement. (Part II of the Appendix to this ACO sets forth CPED's alleged violations, with corresponding dates.) For the purposes of the Agreement, Lyft and CPED calculated an appropriate penalty based on Lyft's admission that it was unable to confirm compliance for 4,277 of the alleged inspection violations.³

³ The violation count is based on the total number of days 94 non-compliant vehicles operated during the investigation period.

D. Information Related to the Potential for Additional or Ongoing Violations

The Parties intend this Agreement to be a complete and final resolution of all claims which have been, or might have been, brought by CPED related to Lyft's ongoing compliance with the Vehicle Inspection Requirements, based on the information known, or that could have been known, by the Parties as of the date of the full execution of this ACO by both parties.

E. An Agreement by the Regulated Entity to Correct Each Violation

Lyft asserts that it has remediated any alleged continuing violations that it has agreed not to contest solely for purposes of this ACO. Furthermore, Lyft is implementing corrective actions, including audit response, training programs, notification systems, and compliance reporting to enhance compliance with the Vehicle Inspection Requirements subject to the Commission's approval of this Agreement.

1. A Date by Which the Regulated Entity Must Certify It Corrected All Alleged Violations

Lyft asserts that it has remediated any alleged continuing violations through corrective actions implemented prior to CPED's investigation and subsequent to the review period, and presented an analysis to CPED showing near-total compliance, which has not been contested by CPED.

2. An Agreement by the Regulated Entity to Pay Any Penalty by a Date Specified

Lyft agrees to corrective actions and to pay the Commission penalties in an amount totaling One Million Two Hundred Fifty Thousand Dollars (the "Settlement Payment") in one lump sum within 30 (thirty) days of approval of this Agreement by the Commission. The Settlement Payment is the total penalty payable under this Agreement, and no additional payment shall be made by Lyft or any of its subsidiaries or affiliated entities in regards to

Vehicle Inspection Requirement matters during the Investigation Period and up through the date this Agreement is approved or rejected by the Commission through a resolution or decision resolving this ACO (“Settlement Period”).

3. Penalty to the General Fund

Lyft shall deliver the Settlement Payment of \$1,250,000.00 to the Commission by check or wire transfer payable to the California Public Utilities Commission, mailed or delivered to the Commission’s Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102, within thirty (30) days of the Commission issuing a final decision approving this Agreement (as further defined in Section IV.E. below). The Commission shall thereafter deposit the Settlement Payment into the State’s General Fund.

4. Corrective Actions

Lyft agrees to the following corrective actions:

- (1) Audit Response - Within one year of the Agreement’s approval by the Commission, Lyft agrees to retain an independent third-party auditor of its choice for a one-time evaluation of the integrity of its records, data entry procedures, internal controls, and quality assurance processes related to compliance with the Vehicle Inspection Requirement since the date of the settlement’s approval. Lyft agrees to submit the audit findings and Lyft’s proposed corrective measures to TEB upon completion to the extent the audit identifies the need for additional corrective measures.
- (2) Enhanced Compliance and Training Program - Lyft has implemented a Compliance Service Tool and enhanced QA Audit Coverage for agents involved in compliance, operations, and data entry related to the Vehicle Inspection Requirements. These tools have substantially improved compliance and emphasize the importance of accurate data entry by agents, education on driver responsibilities to adhere to the Vehicle Inspection Requirements, and maintenance of current inspections.
- (3) Driver Notification System - Within one year of the Agreement’s approval by the Commission, Lyft will implement a notification system that informs active drivers operating on the Lyft platform once their vehicle reaches 30,000 in-app miles over the course of one year. The prompt will inform the driver of the Vehicle Inspection

Requirements and the driver's obligation to comply with the Vehicle Inspection Requirements upon reaching the 50,000 mile mark.

- (4) Annual Compliance Reporting Within 120 days of the Agreement's approval by the Commission, Lyft will submit a Vehicle Inspection Requirement Compliance Report to TEB addressing compliance with the 12-month inspection requirement for vehicles operating on the platform during the 2026 calendar year, including any procedural changes, if applicable, and self-reported deviations from Lyft policies. Lyft will submit annual follow-up reports to CPED for an additional three years related to compliance with the Vehicle Inspection Requirements.

III. ADDITIONAL TERMS

A. Confidentiality and Public Disclosure Obligations

The Parties agree to continue to abide by the confidentiality provisions and protections of Commission Rule 12.6, which governs the discussions, admissions, concessions, and offers to settle that preceded execution of this ACO and that were exchanged in all efforts to support its approval. Those prior negotiations and communications shall remain confidential indefinitely, and the Parties shall not disclose them outside the negotiations without the written consent of both Parties. The Parties agree to coordinate as to the timing and content of mutual and/or individual public communications regarding the contents of this ACO. Notwithstanding the foregoing, Lyft may make any disclosures it deems appropriate, in its sole discretion, to satisfy its obligations under federal and state securities laws.

B. Future Proceedings

The Parties agree to avoid and abstain from making any collateral attacks on this ACO or taking positions in other venues that would undermine the effect or intent of the ACO.

The Parties agree this Agreement releases and discharges Lyft from claims relating to any and all actual or alleged actions or omissions by Lyft with respect to compliance with the Vehicle Inspection Requirements during September 1, 2019, through the Settlement Period.

Nothing in this ACO constitutes a waiver by CPED or TEB of the legal obligations, authority, or discretion to investigate and enforce applicable safety requirements and standards (including, without limitation, provisions of G.O. 157-E) as to other conduct by Lyft unrelated to this ACO that TEB may identify as the basis for any alleged violation(s).

C. Regulatory Approval Process

Pursuant to Resolution M-4846, this ACO shall be submitted for public notice and comment. Upon approval or ratification of this ACO, the final resolution will “validate[] the order, which becomes an act of the Commission itself.”⁴

By signing this ACO, the Parties acknowledge that they pledge mutual support for Commission Approval and subsequent implementation of all the provisions of this ACO. The Parties shall use their best efforts to obtain Commission Approval of this ACO without modification and agree to use best efforts to actively oppose any modification thereto. Should any Alternate Draft Resolution seek a modification to this ACO, and should either of the Parties be unwilling to accept such modification, that Party shall so notify the other Party within five business days of issuance of the Alternate Draft Resolution. The Parties shall thereafter promptly discuss the modification and negotiate in good faith to achieve a resolution acceptable to the Parties and shall promptly seek approval of the resolution so achieved. Failure to resolve such modification to the satisfaction of either of the Parties, or to obtain approval of such resolution promptly thereafter, shall entitle either Party to terminate this Agreement through prompt notice to the other Party. (*See also* Section IV.D. below.)

⁴ Resolution M-4846 at 8.

If Commission Approval is not obtained, the Parties reserve all rights to take any position whatsoever regarding any fact or matter of law at issue in any future enforcement action or proceeding related to Lyft's compliance with G.O. 157-E's Vehicle Inspection Requirements.

D. Admissibility

If this ACO is not adopted by the Commission, its terms are inadmissible for any evidentiary purpose unless their admission is agreed to by the Parties.

IV. GENERAL PROVISIONS

A. Full Resolution

Upon Commission Approval, this ACO fully and finally resolves any and all claims and disputes between CPED and Lyft and its predecessors, successors, subsidiaries, affiliates, assigns, current and former agents, employees, independent contractors, representatives, officers, directors, insurers, accountants, and attorneys related to compliance with Commission Rule 1.1 and G.O. 157-E's Vehicle Inspection Requirements, as implemented under D.16-04-041, during the Settlement Period, and provides for consideration in full settlement and discharge of all disputes, rights, enforcement actions, notices of violations, citations, claims, and causes of action which have, or might have been, brought by CPED related to Lyft's compliance with G.O. 157-E's Vehicle Inspection Requirements, as implemented under D.16-04-041, during the Settlement Period based on the information known, or that could have been known, to CPED at the time that CPED executes this ACO.

B. Non-Precedent

This ACO is not intended by the Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Parties have assented to the terms of this ACO only for the purpose of arriving at the settlement embodied in this ACO. Each of the Parties expressly reserves its right to advocate, in other current and future proceedings, or in the event

that the ACO is not adopted by the Commission, positions, principles, assumptions, arguments, and methodologies which may be different than those underlying this ACO. The Parties agree and intend that, consistent with Commission Rule 12.5, a final Commission resolution approving this ACO should not be construed as a precedent or statement of policy of any kind for or against either Party in any current or future proceeding with respect to any issue addressed in this ACO, including but not limited to Lyft's admission of certain violations related to Lyft's compliance with G.O. 157-E's Vehicle Inspection Requirements.

C. General Considerations for Settlement

Section III.B of the Commission's Enforcement Policy states that "the following general considerations should be evaluated as part of any proposed settlement to be submitted for Commission review: 1. [e]quitable Factors; 2. [m]itigating circumstances; 3. [e]videntiary issues; and 4. [o]ther weaknesses in the enforcement action[.]"⁵ The Parties explicitly considered these factors in their confidential settlement communications. Without waiving the protections of Commission Rule 12.6, the Parties represent that they took these factors into account, and each Party considered the risks and weaknesses of their positions. When taken as a whole, the Parties agree that the ACO Amounts set forth in Section II are within the range of reasonable outcomes had this matter proceeded to formal litigation.

D. Incorporation of Complete ACO

The Parties have bargained in good faith to reach the ACO terms set forth herein, including in the Appendix. The Parties intend the ACO to be interpreted as a unified, integrated order and agreement, so that, consistent with Section III.C. above, if the Commission rejects or modifies any portion of this ACO or modifies the obligations placed upon Lyft or CPED from

⁵ Resolution M-4846, Enforcement Policy at 15.

those that the ACO would impose, each of the Parties shall have a right to withdraw. This ACO is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to diverse issues, the Parties acknowledge that changes, concessions, or compromises by a Party in one section of this ACO resulted in changes, concessions, or compromises by the other Party in other sections. Consequently, consistent with Section III.C. above, the Parties agree to actively oppose any modification of this ACO, whether proposed by any Party or non-Party to the ACO or proposed by an Alternate Draft Resolution, unless both Parties jointly agree to support such modification.

E. Commission Approval

“Commission Approval” means a resolution or decision of the Commission that is (a) final and no longer subject to appeal, which approves this ACO in full; and (b) does not contain conditions or modifications unacceptable to either of the Parties.

F. Governing Law

This ACO shall be interpreted, governed, and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

G. Other

1. The representatives of the Parties signing this ACO are fully authorized to enter into this Agreement.
2. The Parties agree that no provision of this ACO shall be construed against either of the Parties because a particular Party or its counsel drafted the provision.
3. This ACO constitutes the entire agreement between the Parties and, supersedes all prior or contemporaneous agreements, negotiations, representations, warranties, and understandings of the Parties with respect to the subject matter set forth herein.

4. The rights conferred and obligations imposed on either of the Parties by this ACO shall inure to the benefit of or be binding on that Party's successors in interest or assignees as if such successor or assignee was itself a party to this ACO.
5. Should any dispute arise between the Parties regarding the manner in which this ACO or any term shall be implemented, the Parties agree, prior to initiation of any other remedy, to work in good faith to resolve such differences in a manner consistent with both the express language and the intent of the Parties in entering into this ACO.
6. This ACO may be executed in counterparts.
7. As addressed in the Agreement, Lyft cannot track mileage while vehicles are operating off-app, which raises challenges for Lyft to identify when a vehicle reaches the 50,000 mile threshold requiring inspection. Lyft has made substantial efforts to comply with the 50,000 mile inspection requirement nonetheless, but given the challenges with precisely tracking mileage off-app, Lyft and Uber jointly filed a Petition to Modify G.O. 157-E on May 29, 2026, to change the 50,000 mile tracking requirement to a 40,000 mile in-app tracking requirement in the pending proceeding P.26-05-024. CPED agrees not to initiate any enforcement actions related to the 50,000 mile tracking requirement for any violations alleged to occur prior to the Commission's ruling on Lyft's Petition for Modification. Otherwise, nothing in this ACO relieves Lyft from any safety responsibilities imposed on it by law or Commission rules, orders, or decisions.
8. The provisions of Paragraph III.C. shall impose obligations on the Parties immediately upon the execution of this ACO.

V. DISCUSSION OF PENALTY ASSESSMENT METHODOLOGY FACTORS

The Penalty Assessment Methodology appended to the Commission's Enforcement Policy sets forth five factors that staff and the Commission must consider in determining the amount of a penalty for each violation: (1) severity or gravity of the offense; (2) conduct of the regulated entity; (3) financial resources of the regulated entity; (4) totality of the circumstances in furtherance of the public interest; and (5) the role of precedent.⁶ This ACO was the result of

⁶ Resolution M-4846, Enforcement Policy at 16-21; *see also* D.22-04-058 at 3-4 (affirming that consideration of the Penalty Assessment Methodology provides a basis for the Commission to determine that a negotiated settlement under the Commission's Enforcement Policy is reasonable

arms-length negotiation between CPED and Lyft, which was guided by the factors set forth in the Penalty Assessment Methodology. As discussed below, consideration of those factors supports a Commission finding that the ACO is reasonable and in the public interest. The Appendix to this ACO includes stipulated facts, as well as facts in dispute, which provide a record basis for the Commission's determination.

Severity or Gravity of the Offense. The Commission has stated that the severity or gravity of the offense includes several considerations, including economic harm, physical harm, and harm to the regulatory process. Violations that caused actual physical harm to people or property are considered particularly severe.⁷

CPED does not allege economic or physical harm to people or property. CPED alleged, following a review of Lyft's records over a three-year period between September 1, 2019, and August 31, 2022, that Lyft's records reflect a failure to disqualify 170 noncompliant vehicles that violated either the 12-month or 50,000-mile inspection requirement, resulting in 32,217 noncompliant trips associated with the 170 vehicles. The ACO acknowledges and reflects a reduced penalty from lack of economic and physical harm.

The ACO reflects a reasonable penalty considering the degree of harm to the regulatory process. Lyft complied with CPED during the compliance investigation and in the negotiation and presentation of the ACO. Lyft has also demonstrated that it has more recently achieved near-total compliance with the Commission's inspection requirement in 2025. Although CPED maintains that Lyft violated Commission rules, General Orders, and Public Utilities Code, CPED

and in the public interest).

⁷ D.20-05-019 at 20; Resolution M-4846, Enforcement Policy at 16.

acknowledges the possibility that Lyft violated these laws due to challenges of tracking off-app mileage and/or in error, not wanton disregard.

The Conduct of the Utility. In evaluating the conduct of the utility, the Commission considers the utility's conduct in preventing the violation, detecting the violation, and disclosing and rectifying the violation.⁸

Lyft does not admit that the facts alleged by CPED are sufficient to show the total number of violations alleged, nor does it admit to internal deficiencies that resulted in the alleged violations. The details of this factor, such as the Parties' evaluations of their respective litigation risk, were the focus of negotiations subject to the confidentiality provisions of Commission Rule 12.6, and are not described here.² Nevertheless, without waiving the protections of Commission Rule 12.6, the Parties considered, among other things, Lyft's conduct in proactively implementing protocols to detect and mitigate potential violations, and measures to disclose and rectify the alleged violations.

Lyft was forthcoming in providing CPED with information regarding corrective actions that Lyft initiated and plans to initiate to rectify any possible violations and internal deficiencies. The ACO recognizes that Lyft has initiated corrective actions prior to entering into the Settlement Agreement. Prior to the conclusion of CPED's investigation and subsequent to the review period, Lyft asserts that it initiated improvements to its internal processes that resulted in compliance with Vehicle Inspection Requirements at a rate of 98.62% in 2025 (*see* Appendix).

⁸ Resolution M-4846, Enforcement Policy at 17.

² This is consistent with the Enforcement Policy, which states that a "range of considerations" may be relevant in negotiating a proposed settlement, including "[e]quitable factors; [m]itigating circumstances; [e]videntiary issues; and [o]ther weaknesses in the enforcement action that the division reasonably believes may adversely affect the ability to obtain the calculated penalty." Resolution M-4846, Enforcement Policy at 15.

Lyft presented substantial efforts to comply with the 50,000-mile inspection requirement and has implemented systematic updates to mitigate potential non-compliance and manual data input errors, and has updated compliance service tools to improve ongoing compliance checks.

Pursuant to the ACO, Lyft agrees to pay \$1,250,000.00 to the General Fund and implement additional initiatives that will further enhance the safety of Lyft's vehicle inspection tracking compliance program, including a third-party audit, enhanced compliance and quality assurance features, driver notification system, and compliance reporting. These corrective actions will support public safety through processes that mitigate the likelihood of recurring violations such as those alleged in this ACO.

Financial Resources of the Utility. The Commission has described this criterion as follows:

Effective deterrence also requires that staff recognize the financial resources of the regulated entity in setting a penalty that balances the need for deterrence with the constitutional limitations on excessive penalties If appropriate, penalty levels will be adjusted to achieve the objective of deterrence, without becoming excessive, based on each regulated entity's financial resources.¹⁰

In determining the reasonableness of the settlement, CPED took Lyft's financial resources into consideration. Lyft is the second largest TNC in the state of California in terms of customers and revenue. Lyft's most recent annual report (Form 10-K for the year ended December 31, 2025) highlights positive trends in both profitability and capital management. The ACO Amounts described above, totaling \$1,250,000.00, are reasonable and appropriate considering Lyft's financial condition.

¹⁰ Resolution M-4846, Enforcement Policy at 19.

Totality of Circumstances in Furtherance of Public Interest. The Commission has described this criterion as follows:

Setting a penalty at a level that effectively deters further unlawful conduct by the regulated entity and others requires that staff specifically tailor the package of sanctions, including any penalty, to the unique facts of the case. Staff will review facts that tend to mitigate the degree of wrongdoing as well as any facts that exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.¹¹

The ACO Amounts described above were tailored to the unique facts of the case and are reasonable. The Commission must evaluate penalties in the totality of the circumstances, with an emphasis on protecting the public interest. While Lyft disputes CPED's alleged violations, Lyft acknowledges that there are areas in which it can work with the Commission to further enhance its vehicle inspection tracking program and mitigate the possible risks of non-compliance with G.O. 157-E. The Parties have negotiated in good faith and submit that the totality of the circumstances in furtherance of the public interest supports approval of this ACO.

By reaching a settlement tailored to the unique facts of the case, CPED and Lyft have agreed that the total cost of \$1,250,000.00 is reasonable and not excessive. Pursuant to the ACO, Lyft agrees to pay the ACO Amounts totaling \$1,250,000.00 and to initiate corrective actions to better facilitate compliance with G.O. 157-E and record-keeping issues. Lyft's corrective actions are targeted at addressing CPED's safety concerns and will help mitigate the potential risk of harm to the public in the future.

Lyft's corrective actions set forth in this ACO will directly further the public interest by facilitating the Commission's ongoing oversight of Lyft's activities related to vehicle tracking and supporting continued improvement of Lyft's inspection programs. CPED will monitor

¹¹ Resolution M-4846, Enforcement Policy at 19.

Lyft's implementation of the initiatives to ensure that their benefits are realized. Without waiving the protections of Commission Rule 12.6, the Parties represent that they took into account, among other things, the efforts Lyft has undertaken to enhance its vehicle tracking to reduce safety risks to the public.

With an appropriate resolution having been reached, it is in the public interest to resolve this matter now. The ACO obviates the need for CPED to initiate an enforcement proceeding and for the Commission to adjudicate the disputed facts, alleged violations, and appropriate penalty amounts related to CPED's investigation into Lyft's compliance with G.O. 157-E's Vehicle Inspection Requirements. Approval of the ACO promotes administrative efficiency, preventing further expenditure of substantial time and resources on litigation of a matter that the Parties have satisfactorily and reasonably resolved.

The Role of Precedent. The Commission has described this criterion as follows:

Penalties are assessed in a wide range of cases. The penalties assessed in cases are not usually directly comparable. Nevertheless, when a case involves reasonably comparable factual circumstances to another case where penalties were assessed, the similarities and differences between the two cases should be considered in setting the penalty amount.¹²

While not binding precedent, prior settlements are useful for comparison, with the acknowledgment that settlements involve compromise positions. CPED considered the following settlement in evaluating this investigation and the ACO:

- In 2026, Uber Technologies, Inc. ("Uber") admitted to violating G.O. 157-E's Vehicle Inspection Requirements, estimated at 1,270 vehicle violations. CPED and Uber settled on an ACO, agreeing that Uber violated the Vehicle Inspection Requirements under D.16-04-041 and assessed a fine of \$3,500,000 and three corrective actions. The Commission approved the settlement in Resolution TEB-001.

¹² Resolution M-4846, Enforcement Policy at 21.

The prior settlement involves another TCP's violation of G.O. 157-E and reflects outcomes that included a mix of penalties and remedial action plans. TEB considered Lyft's proactive implementation of remedial measures that resulted in meaningful improvements in compliance, as well as the disparity in company size and global market share between TNCs to determine that a lower penalty per violation is appropriate here. The Parties have cooperated in the settlement negotiation process to determine a penalty believed to be fair and reasonable, and the Parties believe the Agreement resolves TEB's allegations and resolves the issues raised in an expeditious manner, thus resolving CPED's safety concerns and benefiting the public.

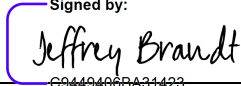
The Parties mutually believe that, based on the terms and conditions stated above, this ACO is reasonable, consistent with the law, and in the public interest.

IT IS HEREBY AGREED.

[Signatures immediately follow this page]

DATED: July 28, 2026

Lyft, Inc.

By:  Signed by:
C9449486DA31423...
Senior Director - Regulatory Compliance
Jeffrey Brandt

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DATED: 7-29-2026

Consumer Protection Enforcement Division
California Public Utilities Commission

By: S. Pat Tsen

Deputy Executive Director - Consumer Policy,
Transportation & Enforcement
S. Pat Tsen

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APPENDIX

I. STIPULATED FACTS RELATED TO TEB's INVESTIGATION

For purposes of this Administrative Consent Order and Agreement ("ACO"), the Transportation Enforcement Branch ("TEB") of the Consumer Protection and Enforcement Division ("CPED") of the California Public Utilities Commission ("Commission") and Lyft, Inc. ("Lyft") (collectively, the "Parties") have stipulated to the facts set forth below.

1. CPED, through TEB is responsible for ensuring that all Transportation Charter-Party Carriers ("TCPs"), and Transportation Network Companies ("TNCs") comply with the Commission's statutory and regulatory requirements for the provision of safe and reliable transportation to the public. TEB responds to and investigates complaints of unsafe, unlicensed, and uninsured passenger carriers. TEB staff also initiate enforcement actions and make recommendations to the Commission, such as the instant ACO Order. The Commission's authority to regulate TCPs is found in Article XII of the California Constitution and Public Utilities Code section 5351, et seq.¹
2. Lyft is a TNC, a subset of TCPs, defined in Public Utilities Code section 5431(c) as a corporation "operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle."
3. G.O. 157-E states that "[a]ll charter-party carriers, including TNCs, shall ensure that every vehicle . . . utilized in its operations undergoes a 19-point vehicle inspection at a facility licensed by the California Bureau of Automotive Repair prior to initial operation and every 12 months or 50,000 miles thereafter."² In adopting G.O. 157-E, the Commission stated that the initial compliance obligation is ongoing, and clarified that "[a]ll [] TCP vehicles, including [] TNCs, shall be inspected every 12 months or 50,000 miles thereafter, whichever occurs first."³
4. TEB investigated Lyft's compliance over a three-year period from September 1, 2019, to August 31, 2022 ("Investigation Period") with G.O.

¹ See also, General Orders ("G.O.") 115-G, 157-E, and 158-A; see also, Decision ("D.") 13-09-045.

² G.O. 157-E, §4.05.

³ D.16-04-041, Ordering Paragraph (OP) No. 1; see also, *id.* at 2, 15 and 18.

157-E's 19-Point Inspection requirement that all TCP vehicles, including vehicles operating on TNC platforms, be inspected either annually or every 50,000 miles, whichever occurs first ("Vehicle Inspection Requirements").

5. TEB's investigation alleges that (i) Lyft failed to ensure that 170 of its vehicles received a 19-point vehicle inspection, when necessary, either at 12-month intervals or every 50,000 miles; (ii) vehicles took trips without valid inspection forms; and (iii) 32,217 noncompliant trips occurred with the 170 vehicles during the Investigation Period, posing a safety concern for passengers and drivers.
6. Lyft denied TEB's allegations but admitted compliance could not be determined for 4,277 operations resulting from ninety-four (94) vehicles that operated for an average length of under five months. Twenty-one (21) of these vehicles were marked as suspended but took at least 1,500 trips.
7. TEB and Lyft engaged in extensive direct settlement discussions, which included Lyft providing TEB with details of Lyft's efforts to comply with Vehicle Inspection Requirements, including the implementation of: (i) systematic updates with the launch of Compliance Services Tool ("CST"); (ii) targeted date and document audits; (iii) weekly quality assurance checks; (iv) improved quality assurance compliance checks with enhanced audit coverage; (v) tiered internal review of vehicle documents; (v) internal partnership and feedback loop mechanism for rapid feedback; and (vi) integration of rental operations and CST. Furthermore, Lyft admitted to violating the annual 50,000-mile inspection requirement during the Investigation Period.
8. TEB and Lyft share the common goals of promoting and improving public safety and complying with the Commission's Orders, including the Vehicle Inspection Requirements.

II. SUMMARY OF CPED’S ALLEGATIONS

The following is a summary of the TEB’s investigation of Lyft’s compliance with General Order 157-E.

TEB’s investigation focused on the following requirements:

1. Lyft’s TCP/TNC Class A Certificate, Permit No. TCP0032513–A provides that Lyft shall comply with all Commission orders, decisions, rules, directions, and requirements governing TCP and TNC operations.⁴
2. G.O. 157-E states that “[a]ll charter-party carriers, including TNCs, shall ensure that every vehicle . . . utilized in its operations undergoes a 19-point vehicle inspection at a facility licensed by the California Bureau of Automotive Repair prior to initial operation and every 12 months or 50,000 miles thereafter.”⁵
3. In adopting G.O. 157-E, the Commission explicitly stated that the initial compliance obligation is ongoing, and clarified that “[a]ll [] TCP vehicles, including [] TNCs, shall be inspected . . . every 12 months or 50,000 miles thereafter, whichever occurs first.”⁶
4. To ensure compliance, TNCs must track total accumulated mileage (commercial and personal) for vehicles.⁷
5. TCPs and TNCs shall be responsible for ensuring that each of their vehicles complies with this requirement and shall maintain records of such compliance for a period of three years and shall make such records available for inspection by or production to the Commission, depending on the Commission’s preference.⁸

TEB’s investigation targeted operations during the three-year period between September 1, 2019, and August 31, 2022. TEB requested and reviewed extensive

⁴ Lyft’s Class A Certificate Permit Status TCP 32513.

⁵ G.O. 157-E, §4.05 (emphasis added). *See also*, §11.09 (“Each TNC must ensure that each personal vehicle used by their TNC drivers complies with all applicable regulations, including but not limited to . . . a 19-point vehicle inspection....”); Pub. Util. Code §5389.

⁶ D.16-04-041, Ordering Paragraph (OP) No. 1; *see also, id.* at 2, 15 and 18.

⁷ D.16-04-041, Section 3.4. at 52 (“[e]ach TNC should institute a policy requiring each TNC driver to self-report the total miles driven so that the TNC will be aware when either the calendar year trigger or the mileage trigger has been met.”).

⁸ G.O. 157-E §4.06.

compliance records provided by Lyft covering the Investigation Period. TEB identified 32,217 waybills believed to document vehicles operating after exceeding the 12-month 19-Point Inspection requirement (G.O. 157-E, 4.05).

TEB alleged the following violations occurred during the Investigation Period pursuant to its investigation into Lyft's compliance records:

1. Lyft failed to suspend 170 vehicles on the Lyft platform during the Investigation Period due to failing to meet G.O. 157-E's 19-Point Inspection requirements. This total is comprised of 32,217 violations of the annual inspection requirement.
2. Lyft vehicles took trips without valid inspection forms.
3. A total of 32,217 noncompliant trips occurred with 170 Lyft vehicles.

In response to CPED's concerns, Lyft engaged in settlement discussions and provided information on previous and future corrective actions to ensure compliance with G.O. 157-E. Lyft asserts that it initiated several internal process measures that allowed it to achieve near total compliance in 2025. Lyft proposes additional corrective measures to ensure further compliance, including an audit, driver notification system, and staff compliance training.

Notwithstanding the above, Lyft does not admit that CPED's alleged violations are valid given the underlying facts. Lyft also does not admit that CPED's alleged facts are true, accurate, or complete, that inferences or conclusions CPED draws from those alleged facts are correct, or that CPED's alleged facts form the basis for an alleged violation.

CPED does not admit or agree that Lyft's responses to CPED's alleged violations and supporting facts are valid. CPED also does not admit or agree that Lyft's responses are true, accurate, or complete, that the inferences or conclusions from those responses are correct.